



Liability Protection Ensures a Good Night's Sleep for Marriott

CENTRAL MASSACHUSETTS ECONOMIC DEVELOPMENT AGENCY

In the north end of downtown Worcester, Massachusetts, lies the site of a former steel foundry, owned by U.S. Steel until just after World War II. While half of the site was soon returned to industrial use following U.S. Steel's closure, the remainder was for decades used for nothing more than parking, with the original foundation of the foundry resting under a layer of flat asphalt. Now, through the efforts of the Central Massachusetts Economic Development Authority (CMEDA) and the site's past and current owners—as well as assistance from an EPA Brownfields Assessment Pilot award—the site is home to a \$15 million, 129-room Marriott hotel that created 50 full-time jobs.

By 1960, U.S. Steel's manufacturing plant had been demolished, and the idle property was purchased by Parker Realty Corporation (PRC), who used the site as a parking lot for more than 30 years. In 1998, Marriott approached CMEDA—an organization established by the state in 1995 to oversee the area's brownfields revitalization efforts—with an interest in redeveloping the 2.4-acre PRC site into a new Courtyard hotel. While initially dissuaded by the discovery of residual lead contamination on the site, Marriott's discussions with CMEDA and reassurances of the Authority's liability protection for site purchasers against both reported and unknown contamination convinced

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JUST THE FACTS:

- Leveraged \$15 million to create 50 full-time jobs at a new Marriot Hotel.
- CMEDA provided liability protection to site purchasers.
- Used an innovative technology—nitron metals analyzer—to determine contamination levels in 20 minutes.

Reassurances of the Authority's liability protection for site purchasers...convinced the company to proceed.

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

the company to proceed. As part of that protection, the title of the 2.4-acre parcel was transferred to CMEDA prior to cleanup, to end the chain of liability with the Authority.

As part of this exempting arrangement, PRC spent more than \$130,000 on assessment and cleanup of the parcel, and paid CMEDA \$15,000 in administrative fees for the Authority's oversight during the four-month cleanup process. EPA's Brownfields Pilot contributed \$31,800 in assessment funding, and the Massachusetts Department of Environmental Protection (DEP) provided an additional \$8,000 for assessments. Originally estimated at \$200,000, additional cleanup costs reached only \$104,000, thanks to an innovative new technology provided by the DEP. The DEP's "nitron metals analyzer" enabled CMEDA to determine contamination levels in 20 minutes, rather than a typical three-day analysis. This process allowed CMEDA to more precisely determine the location and amount of lead contamination in the soil and reduce the amount of construction equipment rental time needed to remove it.

Keeping with the terms of the agreement, Marriott completed foundation work on the property in March of 1999, and CMEDA transferred the property's title—along with liability protection in the event that any additional contaminants were discovered—to the hotel chain that same month. Marriott had placed \$1.2 million into escrow from which cleanup funds were drawn, and as part of the arrangement between Marriott, PRC, and CMEDA, the remaining funds from this escrow were given to PRC for the property's purchase. Marriott's subsequent \$15 million redevelopment project created 25 construction jobs and 50 permanent jobs; the new, 129-room hotel opened its doors in October 1999. Annual tax revenues from the hotel's operation are expected to exceed \$50,000 per year. CMEDA and EPA's Brownfields Assessment Pilot are also involved in other redevelopment projects in Central Massachusetts, including an effort to transform former mill sites into recreational greenspace and jobs for local residents. For more information on the CMEDA Brownfields Pilot, contact Lynne Jennings at EPA Region 1, (617) 918-1210.

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Visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields/>

CMEDA